

# City of Detroit

## CITY COUNCIL

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TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ICJ*  
Derrick Headd, Fiscal Staff Analyst *DH*

DATE: February 26, 2009

RE: Detroit Non-Profit Housing

As directed by Committee Chair Watson in the Neighborhood And Community Committee meeting of Thursday February 12, the Fiscal Analysis division has reviewed the claim of Ms. Avis Holmes, the Executive Director of Detroit Non-Profit Housing. Additionally, Council President Pro-Tem Watson asked Fiscal to review the group's DRMS account history.

During the public comment portion of the meeting, Ms. Holmes stated that the Planning and Development Department (PDD) was overdue in granting her organization a block grant reimbursement of \$25,000 for its contracted services. Detroit Non-Profit Housing's contract period with PDD was from June 1, 2007- May 31, 2008. The total contract amount is \$50,000, for housing counseling services.

The DRMS account for Detroit Non-Profit Housing, App. 05742 Org. 36059, reflects a contract amount of \$50,000 with payments to the group totaling \$12,691. The \$12,691 includes payments totaling \$8,279 in FY '07-08 and \$4,412 in the current '08-09 FY. At our request, Ms. Holmes submitted a copy of Detroit Non-Profit Housing's activity report (attached). The report includes entries for number of services performed, but not any dollar per services rendered totals.

We made a direct inquiry to PDD regarding Detroit Non-Profit Housing's claim. Below, is our query, followed up by PDD's detailed response:

**Fiscal:** Ms. Avis Holmes, the Executive Director of Detroit Non-Profit housing is stating that PDD owes her a block grant reimbursement of \$25K. Ms. Holmes states that her group's contract period w/ PDD was from June 1, 2007- May 31, 2008... Please let (us) know the department's position on this matter.

**PDD:** Detroit Non-profit Housing has not provided adequate documentation to be reimbursed for the balance of the 2007-08 contract. This organization has a history dating back to the 90's of not being able to spend CDBG funds in accordance with the contract and the HUD requirements in a timely manner. 1. Detroit Non-profit was issued a notice to proceed dated June 20, 2007 for contract #2728136. The contract dates were June 1, 2007 - May 31, 2008.

2. Stated in the contract and in the notice to proceed, payments are to be submitted on a monthly basis.
3. Detroit Non-profit Housing submitted a Final payment request dated July 30, 2008.
4. Staff notified Detroit Non-profit Housing that the payment request did not contain the necessary supporting documentation.
5. Detroit Non-Profit Housing was sent an email on 11-24-2008 requesting that all of the missing documentation be submitted by 11-25-08.
6. The Department sent a letter dated December 18, 2008 to Detroit Non-profit Housing requesting that acceptable payment reimbursement request be submitted for the time period February 2008 - May 2008 by December 31, 2008.
7. Detroit Non-Profit Housing sent a payment request dated January 5, 2009 for \$3,758.27
8. PDD staff reviewed the payment and documentation, and approved the eligible expenses, and deducted the advance amount, DNPH received a check for \$10.00.

Please note that HUD cited the City in a monitoring report for not closing out subrecipient contracts in a timely manner. They recommended that subrecipients be allowed 90 days to submit final payments after the end date of the contract. This policy is discussed at the contract workshops and at the time of contract approval.

Also, please be aware that PDD is trying to write the 2008-09 contract with DNPH, and they do not have Income Tax clearance. Old contract funds cannot be rolled over into the new contract because of the 15% cap on public services.

We ask that a copy of this report be forwarded to the petitioner. If any further issues arise regarding this issue, we respectfully defer to the Planning and Economic Development Committee and CPC respectively.

Please contact us if Your Honorable Body requires any additional information.

Attachment: Detroit Non-Profit Housing's Activity Report

Council Divisions  
Auditor General's Office  
Douglas Diggs, Planning & Development Department  
Thomasina M. Tucker, Planning & Development Department  
Joe Harris, Chief Financial Officer  
Pamela Scales, Budget Director  
Linda M. Bade, Chief Assessor  
Arese Robinson, Mayor's Office

Thursday, February 19, 2009

MX0379/Avis Holmes|Logout|Change Password

HOME AGENCY HUD-9902 SUBMISSION VERIFICATION

<b>Housing Counseling Agency Activity Report</b> U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner		OMB Approval No. 2502-0261 (Exp. 3/28/2009)	
<b>1. Counseling Agency Name</b> Agency Name: DETROIT NON-PROFIT HOUSING CORPORATION Agency ID: 80379 Agency Type: LHCA Address: 8934 Woodward Ave Suite 279 Detroit, MI 48202-1821 Parent Agency Name (if applicable): Agency ID: Agency Type:		<b>2. Reporting Period and Budget</b> Reporting Period: Quarter 1 Fiscal Year: 2009 From: 10/01/2008 To: 12/31/2008 Initial Submission Date: 01/30/2009 Date Updated: 01/30/2009 Total Annual Housing Counseling Program Budget, All Sources: \$180562.50 HUD Funded Activity Ratio: 0% (0) Validated: Yes All 9902 Entries Must Be Complete The Completion Date Has Been Extended to: 02/28/2009 Last Validated: 02/03/2009 Validated by: Hardy, Tom	

HUD-9902	HUD-9902 (Derived)	Logic Model	
		All Counseling and Education Activities	Counseling and Education Activities Attributed to HUD Housing Counseling Grant Funds
<b>3. Ethnicity of Clients (select only one)</b>			
a. Hispanic		19	0
b. Not Hispanic		718	0
c. Chose not to respond		4	0
<b>Section 3 Total:</b>		<b>741</b>	<b>0</b>
<b>4. Race of Clients</b>			
<b>Single Race</b>			
a. American Indian/Alaskan Native		10	0
b. Asian		6	0
c. Black or African American		537	0
d. Native Hawaiian or Other Pacific Islander		0	0
e. White		157	0
<b>Multi-Race</b>			
f. American Indian or Alaska Native and White		2	0
g. Asian and White		0	0
h. Black or African American and White		8	0
i. American Indian or Alaska Native and Black or African American		2	0
j. Other multiple race		15	0
k. Chose not to respond		4	0
<b>Section 4 Total:</b>		<b>741</b>	<b>0</b>
<b>5. Income Levels</b>			
a. < 50% of Area Median Income (AMI)		377	0
b. 50 - 79% of AMI		230	0
c. 80 - 100% of AMI		118	0
d. > 100% AMI			

e. Chose not to respond		0	0
<b>Section 5 Total:</b>		<b>741</b>	<b>0</b>
<b>6. Clients Receiving Education/Group Sessions</b>			
a. Completed pre-purchase homebuyer education workshop		3	0
b. Completed financial literacy workshop, including home financial literacy, budgeting and/or credit repair		37	0
c. Completed resolving or preventing mortgage delinquency workshop		0	0
d. Completed non-delinquency post-purchase workshop, including home maintenance and/or financial management for homeowners		31	0
e. Completed fair housing workshop		0	0
f. Completed predatory lending workshop		0	0
g. Completed rental workshop		0	0
h. Other workshop		0	0
<b>Group Sessions / Section 6 Total:</b>		<b>71</b>	<b>0</b>
<b>7. Numbers of Clients Counseled, by Purpose of Visit and Results</b>			
<b>a. Seeking Pre-Purchase Homebuyer Counseling</b>			
1) Purchased housing		0	0
2) Client will be mortgage ready within 90 days		0	0
3) Client will be Mortgage Ready after 90 Days; entered debt management plan or some other type of long-term financial plan to prepare for homeownership		1	0
4) Receiving long term pre-purchase counseling		2	0
5) Entered lease purchase program		0	0
6) Decided Not to purchase housing; no further effort to prepare		0	0
7) Withdrew from counseling		0	0
8) Other		0	0
<b>Section 7a Sub-total:</b>		<b>3</b>	<b>0</b>
<b>b. Seeking Help with Resolving or Preventing Mortgage Delinquency</b>			
1) Brought mortgage current		23	0
2) Mortgage refinanced		2	0
3) Mortgage modified		70	0
4) Received second mortgage		0	0
5) Initiated forbearance agreement/repayment plan		28	0
6) Executed a deed-in-lieu		0	0
7) Sold property/chose alternative housing solution		2	0
8) Pre-foreclosure sale		4	0
9) Mortgage foreclosed		3	0
10) Counseled and referred to another social service or emergency assistance agency		0	0
11) Obtained partial claim loan from FHA lender		2	0
12) Bankruptcy		2	0
13) Entered debt management plan		0	0
14) Counseled and referred for legal assistance		2	0
15) Currently receiving foreclosure prevention/budget counseling		440	0
16) Withdrew from counseling		10	0
17) Other		7	0
<b>Section 7b Sub-total:</b>		<b>595</b>	<b>0</b>
<b>c. Seeking Help with Home Maintenance and Financial Management for Homeowners</b>			
1) Obtained a Home Equity Conversion Mortgage (HECM)		66	0
2) Counseled on HECM; decided not to obtain mortgage		0	0
3) Obtained a non-FHA reverse mortgage		0	0
4) Received home equity or home improvement loan or other home repair assistance		0	0
5) Received consumer loan (unsecured)		0	0
6) Mortgage refinanced		0	0
7) Counseled and referred to other social service agency		0	0
8) Sold house/chose alternative housing solution		0	0
9) Completed financial management/budget counseling		1	0
10) Completed home maintenance counseling		0	0
11) Counseled and utilities brought current		0	0
12) Counseled and referred for legal assistance		0	0
13) Currently receiving counseling		3	0
14) Withdrew from counseling		0	0
15) Other		2	0
<b>Section 7c Sub-total:</b>		<b>72</b>	<b>0</b>

1) Received housing search assistance	0	0
2) Obtained temporary rental relief	0	0
3) Counseled and referred to agency with rental assistance program	0	0
4) Advised on recertification for HUD/other subsidy program	0	0
5) Counseled and referred to other social service agency	0	0
6) Counseled and referred to legal aid agency for fair housing assistance	0	0
7) Counseled and referred to legal aid agency for assistance with eviction	0	0
8) Found alternative rental housing	0	0
9) Decided to remain in current housing situation	0	0
10) Resolved issue in current tenancy	0	0
11) Entered debt management/repayment plan	0	0
12) Counseled and utilities brought current	0	0
13) Resolved security deposit dispute	0	0
14) Currently receiving counseling	0	0
15) Withdrew from counseling	0	0
16) Other	0	0
Section 7d Sub-total:		0
<b>7e. Seeking Shelter or Services for the Homeless</b>		
1) Occupied emergency shelter	0	0
2) Occupied transitional housing	0	0
3) Occupied permanent housing with rental assistance	0	0
4) Occupied permanent housing without rental assistance	0	0
5) Counseled Referred to other social service agency	0	0
6) Remained homeless	0	0
7) Currently receiving counseling	0	0
8) Withdrew from counseling	0	0
9) Other	0	0
Section 7e Sub-total:		0
Individual Counseling / Section 7a-e Total:		670
Total Counseling / Section 6 and 7 Total:		741
<b>8. HUD Housing Counseling Grant(s)-Summary Data</b>		
HUD Housing Counseling Grant or Sub-grant Number/Source	Grant Type	HUD Housing Counseling Grant Amount
Section 8 Total:		\$0.00
<b>9. Authorization:</b>		
<b>Input Official</b>		<b>Agency Official</b>
First Name: Avis	First Name: Avis	
Last Name: Holmes	Last Name: Holmes	
Title:	Title: Director	
Phone:	Phone:	

Last Updated: 02/14/2009 Version 10.1.0

United States Department of Housing and Urban Development